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ACTION AF-18

INFO OCT-01 EUR-25 NEA-10 ISO-00 EB-11 CIEP-02 SCEM-02

OMB-01 TRSE-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-10 PA-03 RSC-01 PRS-01 SPC-03 SS-15

USIA-15 ACDA-15 IO-15 INT-05 COME-00 DRC-01 /184 W

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R 011338Z OCT 73
FM AMEMBASSY TRIPOLI
TO SECSTATE WASHDC 0597
INFO AMEMBASSY BEIRUT
AMEMBASSY KUWAIT
AMEMBASSY JIDDA
AMEMBASSY LONDON
AMEMBASSY NEW DELHI

DEPARTMENT OF STATE A/CDC/MR

REVIEWED BY *g* DATE *10/17/82*

RDS ☐ or XDS ☐ EXT. DATE _____
TS AUTH. _____ REASON(S): _____
ENDORSE EXISTING MARKINGS ☒
DECLASSIFIED ☐ RELEASABLE ☒
RELEASE DENIED ☐
PA or FOI EXEMPTIONS _____

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E.O. 11652: N/A

TAGS: ENRG, LY

SUBJ: OIL NATIONALIZATION DEVELOPMENTS

1. ALTHOUGH SEPT 30 WAS THE DEADLINE SET IN ARTICLE 12 OF THE LATEST RCC DECREE NATIONALIZING CERTAIN OIL COMPANIES FOR THEIR ACCEPTANCE OF ITS TERMS, AS OF THIS WRITING WE ARE AWARE OF NO BASIC CHANGE IN THE STATUS QUO THAT OCCURRED ON THAT DATE.

2. GRACE PETROLEUM CORP AGREED SEPT. 29 TO LARG DEMAND FOR 51 PERCENT NATIONALIZATION (FBIS M. 291342).

3. ACCORDING TO OFFICIAL LIBYAN NEWS AGENCY, ON SEPT 30 LARG MINISTER OF PETROLEUM SET UP FIVE COMMITTEES TO DETERMINE COMPENSATION FOR THE FOLLOWING COMPANIES THAT HAVE NOT ACCEPTED NATIONALIZATION: MOBIL; THE AMOSEAS PARTNERS, TEXACO AND SOCAL; SHELL;
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ESSO AND LIBYAN AMERICAN OIL COMPANY; AND NELSON BUNKER HUNT (THE SAME COMMITTEE HE APPOINTED IN 1972, PRESUMABLY TO DETERMINE COMPENSATION FOR BP).

4. ACCORDING TO SAME SOURCE, ON SEPT 29 THE MINISTER SIGNED AN AGREEMENT WITH INDIA "ON COOPERATION IN THE OIL INDUSTRY FIELD." NO DETAILS GIVEN. PRESS HAS REVEALED, MEANWHILE, THAT INDIA'S OIL PURCHASE AGREEMENT

OF LAST WEEK WAS FOR 4.5 MILLION TONS OF LIBYAN CRUDE TO BE DELIVERED WITHIN TWO YEARS, BY 1975.

5. COMMENT: PRESUMABLY INDIA'S OIL "COOPERATION" WILL TEND TO OFFSET ITS COSTS FOR THE CRUDE, BUT EVERYTHING IS EXTREMELY VAGUE. INDIAN AMBASSADOR HERE TELLS ME THERE IS REALLY NO COMMITMENT ON EITHER SIDE EXCEPT TO "HEADS OF AGREEMENT." HE ALSO DENIES THE EARLIER PRESS REPORT THAT INDIA IS BARTERING TEA FOR OIL--THOUGH I GATHERED IT WOULD LIKE TO CUT INTO THAT MARKET, WHICH IS CURRENTLY DOMINATED BY CEYLON TEAM. JOSIF

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